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7					
8	UNITED STATES DIST	TRICT COURT			
9	EASTERN DISTRICT O	F CALIFORNIA			
10	AUGUSTINE BAND OF CAHUILLA INDIANS, a	Case No.:			
11	federally recognized Indian Tribe,	COMPLAINT FOR DECLARATORY			
12	Plaintiff,	AND INJUNCTIVE RELIEF UNDER 25 U.S.C. § 2710(d)(7)(A)			
13	VS.				
14	STATE OF CALIFORNIA, and GAVIN NEWSOM IN HIS OFFICIAL CAPACITY AS GOVERNOR				
15	OF CALIFORNIA,				
16	Defendants.				
17					
18	5				
19	Plaintiff, the Augustine Band of Cahuilla Indi	ans ("Augustine" or "Tribe,"), by and			
20	through its attorneys of record herein, complains and	alleges as follows:			
21	<u>JURISDICTION</u>				
22	1. This Court has original jurisdiction ov	er the subject matter of Augustine's action			
23	pursuant to 25 U.S.C. § 2710(d)(7)(A), 28 U.S.C. §§	1331 and 1362, in that Augustine is an			
24	Indian Tribe with a governing body duly recognized	by the Secretary of the Interior, and this			
25	action arises under the Indian Gaming Regulatory Ac	t of 1988, 25 U.S.C. § 2701, et seq.			
26	("IGRA"), based on Augustine's claim that the State of	of California ("State") has failed to negotiate			
27	in good faith for a new Tribal-State Compact authoriz	zing Augustine to continue operating class			
28 III gaming activities on the Augustine Indian Reservation in Riverside County, Californ					
	COMPLAINT 1				

the June 30, 2022 expiration date of the current Compact between Augustine and the State.

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Register that the Compact had been approved by the Department of the Interior. Augustine's 2000 Compact will expire on June 30, 2022.

- 10. Pursuant to and in compliance with the terms of its 2000 Compact, Augustine constructed, owns and operates the Augustine Casino ("Casino") on the Reservation.
- 11. IGRA categorizes gaming into three "Classes": social games for prizes of minimal value, and ceremonial games ("Class I"); bingo and games similar to bingo, including electronic, computer or other technologic aids to such games, and non-banking card games, to the extent such games either are expressly authorized or not expressly prohibited by State law ("Class II"); and all other forms of gaming, including slot machines ("Gaming Devices") and "banked games" (e.g., blackjack, in which the "house" or "bank" takes on all comers, paying all winners and collecting from all losers) ("Class III").
- 12. IGRA preempted whatever jurisdiction the State may have had to enforce its gambling laws in Indian country. Under IGRA, 25 U.S.C. § 2710(d)(3)(A), in order to lawfully conduct Class III gaming activities on its Indian lands, Augustine must, *inter alia*, request the State to enter into negotiations for a tribal-state compact setting forth the terms and conditions under which Augustine may conduct Class III gaming activities, and the State is obligated to enter into and conduct those negotiations in good faith.
- 13. IGRA, 25 U.S.C. § 2710(d)(3)(C), provides that a compact may include provisions relating to –
- (i) the application of the criminal and civil laws and regulations of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of such [Class III gaming] activity;
- (ii) the allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of such laws and regulations;
- (iii) the assessment by the State of such [Class III gaming] activities in such amounts as are necessary to defray the costs of regulating such [Class III gaming] activity;
- (iv) taxation by the Indian tribe of such [Class III gaming] activity in amounts comparable to amounts assessed by the State for comparable activities;

Compact to replace its 2000 Compact. Between October, 2015 and September 17, 2021, Augustine and the State exchanged a series of written proposals and counter-proposals, and between February, 2020 and September 2, 2021, conducted at least nine formal negotiating sessions, initially in person, and then, due to the COVID-19 pandemic, via video conferencing. The last formal negotiating session between Augustine and the State's negotiating team occurred on September 2, 2021.

- 19. On multiple occasions during the parties' negotiations, Augustine informed the State that several of the provisions that the State had included in each of its proposed Compact drafts were totally unacceptable, either because they are not proper subjects of negotiation under IGRA, or because the State was obligated to offer meaningful concessions in return but failed to do so, and requested that the State inform Augustine whether the State would insist that the provisions that Augustine had identified as unacceptable must be included in a new Compact.
- 20. Among the State's proposed provisions to which Augustine repeatedly objected over time was the State's demand that Augustine enact a new Tribal Labor Relations Ordinance ("TLRO") to replace the TLRO that the State had approved in connection with Augustine's 2000 Compact. In particular, Augustine objected to the State's demand that its new TLRO limit negotiations for a collective bargaining agreement to no more than 90 days, with an additional 30 days of mediation, after which the so-called "mediator" would resolve any remaining issues through binding interest arbitration.
- 21. In preparation for the Compact negotiating session between Augustine and the State scheduled for February 11, 2021, even as it objected to the State's proposed TLRO as not being a proper subject of negotiation under IGRA, Augustine presented the State with the Tribe's proposed revisions to the State's proposed TLRO. During the parties' February 11, 2021 negotiating session, the State's negotiator informed Augustine that, "The state is unwilling at this point to remove the provisions [of the State's proposed new TLRO] that include binding dispute resolution -- that include a binding dispute resolution mechanism but remain willing to discuss and negotiate provisions of the Compact." During the same negotiating session, Augustine informed the State that,

The Tribe's position remains clear, that the provision that collective bargaining impasses must be resolved through binding interest arbitration, although the TLRO calls it mediation, is unacceptable. And that if the State, as it has indicated, does insist that the binding interest arbitration remain part of the TLRO, then we will not be able to reach agreement on the TLRO and, therefore, continue discussion of the other details of it would be a waste of time. And the tribe is not prepared to submit to a labor relations regime that is unlike that to which any other California employer subject to the NLRB's jurisdiction is subject.

- 22. In March, 2021, the State presented Augustine with a revised draft of the State's new TLRO that incorporated some of the changes that Augustine had proposed, but continued to include the 90-day limit on collective bargaining negotiations and binding interest arbitration provisions that Augustine previously had rejected.
- 23. During the negotiating sessions between Augustine and the State on May 6, 2021, and June 7, 2021, Augustine reiterated its rejection of the State's demand that the Tribe enact a new TLRO that would impose a 90-day limit on collective bargaining negotiations and empower a union unilaterally to require that the Tribe submit to binding interest arbitration of collective bargaining impasses.
- 24. On July 2, 2021, Augustine presented the State with a complete Compact draft that included as Appendix "D" Augustine's response to the State's March, 2021 revised draft TLRO.
- 25. During the August 2, 2021 Compact negotiating session between Augustine and the State, Augustine informed the State that,

It is unacceptable to the Tribe to have a time of less than 180 days to negotiate an initial collective bargaining agreement. And it is absolutely unacceptable to have collective bargaining impasses resolved through binding interest arbitration. Our understanding, from the State's past statements is that those two, and in particular the binding interest arbitration provision, would have to be in the TLRO. And so we need to know, yes or no today, whether the State continues to insist that less than 90 -- less than 180 days be allowed for negotiating a collective bargaining agreement, and that any collective bargaining impasses must be resolved through binding arbitration. And we need to know that, yes or no. And one more thing. And that is what consideration -- What concessions is the State offering in exchange for this new, and from our prospective, deeply intrusive and discriminatory TLRO.

During the August 2, 2021 Compact negotiating session between Augustine and the Tribe, the State responded to Augustine's statement as quoted in the preceding paragraph by indicating a willingness to discuss the issues of the time limit on collective bargaining negotiations and binding interest arbitration, but did not propose any alternative language on those issues.

27. By the Compact negotiating session between Augustine and the State on August

- 27. By the Compact negotiating session between Augustine and the State on August 25, 2021, the State had not responded to Augustine's proposed revisions to the State's new TLRO, but stated its willingness to do so in advance of the next negotiating session.
- 28. In a letter dated September 2, 2021 from Augustine's counsel to the State's principal negotiator, Augustine informed the State that,

As long as the State persists in imposing such a short period for negotiating a collective bargaining agreement and giving unions the unilateral power to require binding arbitration of collective bargaining impasses – something that the State cannot impose on its own subdivisions – and as long as the State continues to be coy about whether those two provisions must be included in a new TLRO, further discussion of the other aspects of the TLRO would be pointless. If the State conditions a new Compact on Augustine's acceptance of a new TLRO that includes the State's short deadline for negotiating a collective bargaining agreement and giving unions unilateral power to require binding interest arbitration of collective bargaining impasses, then further Compact negotiations also would be futile.

The State has had Augustine's most recent written response to the State's draft new TLRO since early July, 2021, but the State has been aware of Augustine's position on these two critical provisions since November, 2020. If the State truly respects Augustine's status as a sovereign tribal government, and is not merely slow-walking these negotiations for strategic purposes, the State will tell Augustine *now* whether the two TLRO provisions Augustine consistently and repeatedly has rejected, as well as any of the other provisions about which the parties have not been able to attain tentative consensus, are deal-breakers for the State. If they are deal-breakers, then we should declare these negotiations to have reached impasse, and a federal district court judge will determine whether or not the State has negotiated in good faith. However, if the State is open to the substantial concessions that Augustine is prepared to make in return for meaningful concessions from the State, then the State should respond *now* with the meaningful concessions, if any, the State is willing to offer in return. Any responses short of that will confirm that the State is just engaged in surface bargaining, or so we will contend in Augustine's lawsuit alleging that the State has failed to negotiate in good faith.

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1	29.	By September 17, 2021, the State had not responded to the Tribe's July 2, 2021	
2	Appendix "D	."	
3	30.	In preparation for the August 2, 2021 Compact negotiating session between	
4	Augustine and	d the State, Augustine requested that the State provide,	
5		documentation for the State's past three fiscal years of the time	
6		expended and costs incurred by State Gaming Agency personnel on matters specifically relating to Augustine's casino, including site visits and desk audits. In addition, Augustine would appreciate	
7 8		receiving copies of any reports prepared in connection with such site visits and desk audits.	
9	31.	In an e-mail dated July 30, 2021 transmitting the State's Compact draft for the	
10	August 2, 202	21 negotiating session between Augustine and the State, the State responded as	
11	follows to Augustine's request for specific information about the State's regulatory costs at		
12	Augustine:		
13	_	As the State has shared several times and is demonstrated in the audit and budgetary documents that we have provided, this request	
14		reflects a misunderstanding of how regulatory activities in the State operate and are funded. We consolidate many regulatory functions	
15		to ensure an effective and efficient use of funds and we don't track many regulatory costs on a tribe-by-tribe basis. If we were to do so,	
16		it would create an incredible regulatory burden and raise the cost of regulation given that we have compacts or secretarial procedures	
17		with 78 tribes and administer revenue sharing going to 70 tribes. We can share some limited documentation reflecting a portion of	
18		the regulatory activities associated with Augustine's casino, but this would inherently not address many of the consolidated regulatory	
19		activities. This is why we have moved to a pro rata approach, so that the regulatory cost share is based on the size of the Tribe's	
20		facility, as determined by the number of Gaming Devices it operates. This helps ensure each gaming tribe is paying its fair	
21		share of the State's costs of regulation.	
22	32.	Despite the State's admitted ability to "share some limited documentation	
23	reflecting a p	ortion of the regulatory activities associated with Augustine's casino," the State	
24	never provided any Augustine-specific information about the cost of the State's regulatory		
25	activities at Augustine's casino.		
26	33.	On September 2, 2021, a member of the State's negotiating team conferred with	
27	members of A	Augustine's negotiating team for the purpose of identifying and, if necessary,	
28	clarifying the	language of provisions about which Augustine and the State had achieved tentative	
	COMPLAINT	8	

1 consensus, and identifying those provisions about which tentative consensus had not been 2 attained. 3 34. In a letter dated September 10, 2021, responding to the State's proposed revisions 4 to its Appendix "C" (a list of activities to be categorically excluded from environmental review), 5 Augustine's counsel also informed the State's principal negotiator that, 6 Specifically regarding the TLRO, I've attached a copy of Augustine's July, 2021draft redlined against the State-approved 7 TLRO appended to Augustine's current Compact. Unlike Augustine's 2000 Compact, its TLRO has no expiration date, so it's 8 that ordinance, rather than the State's drafts, against which Augustine's proposed revisions should be measured. As you can 9 see, Augustine has been willing to make numerous substantial changes to its State-approved TLRO even though, unlike in *Coyote* 10 Valley II, the State has not offered any meaningful concessions in return. However, Augustine remains unwilling to agree to being 11 coerced into an unrealistically short time limit for negotiating a collective bargaining agreement, or ceding to unions the unilateral 12 power to subject Augustine's government to binding interest arbitration of a collective bargaining impasse, neither of which are 13 embodied in the State's public policy as set forth in Labor Code § 923. 14 As Augustine has indicated previously, it is willing to 15 continue negotiating, but only if the State gives Augustine reason to believe that an acceptable new Compact can be concluded, 16 executed by the Governor, ratified by the Legislature, reviewed by the Department of the Interior, and notice published in the Federal 17 Register that the Compact has been approved or considered approved to the extent consistent with IGRA, on or before June 30, 18 2022. The only way the State can give Augustine reason to believe that further negotiations will be fruitful would be to promptly 19 provide Augustine with a revised Compact draft – without waiting for another negotiating session to be scheduled – that substantially 20 moves the State's positions on all of the remaining disputed issues much closer to Augustine's. 21 22 35. In a September 16, 2021 e-mail from the State's principal negotiator to Augustine's 23 counsel, the State informed Augustine, among other things, that, 24 You also raise the issue of the Tribal Labor Relations Ordinance (TLRO) in your recent correspondence. California Labor Code 25 section 923, which you cite in your letter, highlights the State's interest in ensuring that unorganized workers at a tribal casino and 26 related facilities can self-organize for collective bargaining to obtain acceptable terms of employment. A dispute resolution 27 process that can resolve collective bargaining impasse facilitates

this policy by avoiding labor unrest. Under the State's proposed

process, only if a labor organization agreed to abide by the Tribe's

COMPLAINT 9

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TLRO, to complete a secret ballot election during the one-year Notice of Intent to Organize (NOIO) period, and not to strike or picket during that NOIO period would binding dispute resolution be available for a collective bargaining impasse. In the State's view, requiring a labor organization to forgo concerted activities and organize an election during this one-year NOIO period is a reasonable compromise if there is a corresponding tribal commitment to a binding resolution of collective bargaining impasse.

36. On September 17, 2021, Augustine's counsel sent an e-mail to the State's principal negotiator that included the following:

Thank you for your September 16 response to my September 10 letter and September 9 and 14 e-mails, and thank you for confirming, once and for all, that the State will condition its agreement to a new Compact on, among other provisions, requiring that Augustine replace its current State-approved TLRO with a new TLRO that sets a 90-day time limit on collective bargaining negotiations (plus another 30 days of true mediation) and empowers a union unilaterally to require the Tribe to submit to binding interest arbitration of collective bargaining impasses, without ever attempting to justify why the Tribe should be deprived of its rights as an employer subject to the NLRB's jurisdiction when its employees now have full, federally protected organizational and representational rights. Augustine has no interest in labor strife, but a labor dispute at Augustine hardly is an issue of statewide -- or even local -- concern such that the State can further tip the scales in favor of third parties and employees that already enjoy full organizational and representational rights under the National Labor Relations Act.

As I'm sure you know, Augustine's current TLRO is identical to the TLRO that was negotiated in 1999 directly between gaming Tribes and organized labor, and thereafter was blessed by the State. In 1999, the NLRB had not yet asserted jurisdiction over tribal casinos; that jurisdiction since has been upheld by the D.C., Sixth and Ninth Circuits. To deal with the State's concern that the NLRB might at some future date lose jurisdiction, Augustine is agreeable in that event to reinstating its current the TLRO, or even its July 2, 2021 response to the State's March, 2021 draft TLRO. Meanwhile, Augustine has maintained and continuously abided by its TLRO since its Compact took effect; as recently as earlier this year, it provided information about its casino workforce in response to an information request made under Augustine's TLRO by a union that respects the agreement that the Tribes and organized labor made in 1999. Augustine had no role in drafting the State's proposed new TLRO, but neither did the other Tribes on which the State has imposed its new TLRO. Rather, as best can be determined (the State won't admit who actually drafted it), the State's new TLRO is the result of a deal first cut between Governor Brown's administration and elements of organized labor, and continued by Governor Newsom. Certain elements of organized labor that agreed to the 1999 TLRO since have repudiated their agreement, claiming that it doesn't work. The fact is that any union

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claiming that the 1999 TLRO "doesn't work" hasn't tried to use it, at least not at Augustine. To be clear, Augustine is not anti-union or anti-employee; rather, it is pro-sovereignty, which is perfectly consistent with being supportive of its employees' rights, including the right to organize and be represented by a union of their free choice, but inconsistent with surrendering to the State's dictation of a discriminatory labor-management relations regime. Augustine has too much respect for its own laws and the rights and welfare of its employees to violate or repudiate its commitments; the State and organized labor should do the same, especially if Gov. Newsom meant what he said in his apology for the atrocities against California's Native peoples that the State has committed, countenanced or actively encouraged.

The State has made it abundantly clear that its strategy in these negotiations is to put the Tribe in the position of having to choose between continuing to negotiate against itself as time runs out on its current Compact, or terminating negotiations and suing the State for failing to negotiate in good faith. In the interest of reaching an agreement, Augustine has indicated its willingness to make concessions on numerous issues that simply haven't been problems under its 2000 Compact, even though Augustine considers many of those issues to be outside the proper scope of negotiation under IGRA. However, Augustine also has made abundantly clear that unless the State accepts as sufficient the concessions that Augustine tentatively has proposed in the body of its July 2, 2021 Compact draft (with the re-insertion of the State's secs. 12.3(g) and (h)), further negotiations would serve no purpose other than to consume more of the limited time remaining before Augustine's Compact expires on June 30, 2022. In short, it is the State's stonewalling that has created the current impasse in these negotiations, not Augustine's refusal to engage in productive negotiations.

- 37. The State responded to the above-described September 17 e-mail from Augustine's counsel to the State's principal negotiator by several times professing its willingness to continue negotiations, and ultimately claiming that it was not insisting on its proposed TLRO's time limit on collective bargaining negotiations or binding interest arbitration of collective bargaining disputes, but without indicating whether it would accept Augustine's proffered concessions as sufficient or offering an actual counter-proposal to Augustine's July 2, 2021 response to the State's March, 2021 revised new TLRO.
- 38. More than 180 days have elapsed since Augustine commenced negotiations with the State for a new Compact to replace its existing Compact, but the State has not agreed to enter into a new Compact on terms acceptable to Augustine, due to the State's insistence on new Compact provisions that would:

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2	concessions the State demanded of Augustine.
3	CLAIM FOR RELIEF
4	The State Failed to Negotiate in Good Faith by Demanding Compact Provisions That
5	Either Are Not Proper Subjects of Negotiation Under IGRA, Or If Not Improper <i>Per Se</i> , Failing To Offer Meaningful Concessions
6	42. Augustine hereby realleges each of the facts alleged in Paragraphs 1–41 above,
7	and by this reference incorporates each such reference herein as if set forth in full.
8	<u>COUNT ONE</u>
9 10	The State's Demand That Augustine Make Excessive Payments Into The Indian Gaming Special Distribution Fund ("SDF")
11	43. Throughout the negotiations, the State insisted that Augustine pay into the SDF
12	more than is necessary to defray the State's costs of regulating Augustine's class III Gaming
13	Activities. In doing so, the State sought to impose a tax, fee, charge or other assessment on
14	Augustine's Gaming Activities in violation of IGRA; thus the State failed to negotiate in good
15	faith.
16	44. If the State's demand that Augustine pay more into the SDF than necessary to
17	defray the State's costs related to regulation of Augustine's class III Gaming Activities did not
18	constitute bad faith per se, the State was required to offer meaningful concessions in return for
19	Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in
20	good faith.
21	COUNT TWO
22	State's Demand That Augustine Make Excessive Payments Into The Indian Gaming Revenue Sharing Trust Fund ("RSTF")
23	45. In class III gaming Compacts between the State and various other California
24	Tribes, the State has agreed to annual payments into the RSTF of as little as 1.2% of the Net Win
25	from Gaming Devices 351+ if a Tribe operates more than 1,200 Gaming Devices. The State
26	insisted that if Augustine were to operate more than 1,200 Gaming Devices, Augustine must pay
27	6% of the Net Win from Gaming Devices 351+ into the RSTF, offset only by grants of up to
28	\$50,000 per year to local government agencies and/or Caltrans for impacts or providing services
	COMPLAINT 14

about which the State is not obligated to negotiate in good faith, in exchange for any of the

- 46. By arbitrarily demanding that if Augustine were to operate more than 1,200 Gaming Devices, Augustine must pay into the RSTF 6% of the Net Win from Gaming Devices 351+ without regard to whether the balance in the RSTF would suffice to distribute \$1.1 million to each Tribe eligible to receive distributions from the RSTF, the State sought to impose a tax, fee or assessment on Augustine's Gaming Activities that is impermissible under 25 U.S.C. § 2710(d)(4), and thus the State failed to negotiate in good faith.
- 47. If the State's demand that Augustine annually pay 6% of its Net Win from Gaming Devices 351+into the RSTF did not constitute bad faith *per se*, the State was required to offer meaningful concessions in return for Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in good faith.

COUNT THREE

State's Insistence On Including The Tribal Nations Grant Fund

- 48. Throughout Augustine's negotiations for a new Compact, the State insisted that a new Compact must include a provision allowing surpluses in the RSTF to be transferred to the State-created Tribal Nations Grant Fund ("TNGF"), from which a State-created administrative body, using funds potentially provided in part by Augustine if Augustine operates more than 1,200 Gaming Devices, would award grants, potentially on a competitive basis, to Tribes eligible for distributions from the RSTF, subject to various restrictions as to how such grants may be used, including a prohibition against the use of grant funds for any gaming-related purpose.
- 49. Throughout Augustine's negotiations for a new Compact, Augustine contended that the TNGF is not a proper subject of negotiation under any of the subsections of 25 U.S.C. § 2710(d)(3)(C), in that it is not directly related to and necessary for the regulation and licensing of Gaming Activities, does not create a standard for the operation of Gaming Activities or maintenance of a Gaming Facility, or is not otherwise directly related to the operation of Gaming Activities.

Reservation within or upon which no Gaming Activities or activities directly related to Gaming

COMPLAINT 16

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1	Activities are conducted is not a proper subject of negotiation under IGRA. Therefore, the State's	
2	demand to include such a provision constituted a failure by the State to negotiate in good faith.	
3	56. To the extent that the State's demand to define "Gaming Facility" to include	
4	structures and areas of the Reservation within or on which no Gaming Activities are conducted	
5	did not constitute bad faith per se, the State was required to offer Augustine meaningful	
6	concessions in return for Augustine's acceptance of the State's demand; the State failed to do so,	
7	and thus failed to negotiate in good faith.	
8	COUNT FIVE	
9	State's Insistence On Defining "Gaming Operation" To Encompass Activities Or Functions	
10	Not Directly Related To The Operation of Gaming Activities	
11	57. Throughout Augustine's negotiations for a new Compact, the State insisted upon	
12	defining "Gaming Operation" to include not only the actual operation of Gaming Activities and	
13	activities directly related to the operation of Gaming Activities, but also activities and areas of the	
14	Reservation that are not directly related to the Tribe's operation of Gaming Activities.	
15	58. By insisting on defining "Gaming Operation" to include activities and areas of the	
16	Reservation that are not directly related to the Tribe's operation of Gaming Activities, the State	
17	insisted upon including in a new Compact a provision that is not a proper subject of negotiation	
18	under IGRA, which demand constituted a failure by the State to negotiate in good faith.	
19	59. If the State's demand to define "Gaming Operation" as including not only the	
20	actual operation of Gaming Activities and activities directly related to the operation of Gaming	
21	Activities, but also activities and areas of the Reservation that are not directly related to the	
22	Tribe's operation of Gaming Activities, did not constitute bad faith per se, the State was required	
23	to offer meaningful concessions in return for Augustine's acceptance of that demand; the State	
24	failed to do so, and thus failed to negotiate in good faith.	
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26	///	
27	///	
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	COMPLAINT 17	

OMPLAINT I

COUNT SIX

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State's Insistence That Augustine Prohibit and Create Remedies In Money Damages For Workplace Discrimination, Harassment And Retaliation

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60. As a federally recognized Indian Tribe, Augustine is expressly excluded from the definition of "employer" under 42 U.S.C. § 2000(e)(b) ("Title VII"), and 42 U.S.C. § 12111(5) ("ADA"), and various federal courts have held that federally recognized Indian Tribes are not subject to private lawsuits for money damages under other federal statutes dealing with workplace discrimination.

- 61. Notwithstanding federal statutes that expressly exclude Augustine from the definition of "employer," and federal court decisions holding that Tribes such as Augustine are not subject to private suit for money damages under those statutes, the State insisted on including in a new Compact with Augustine the requirement that Augustine carry \$3 million in employment practices liability insurance, and enact a tribal ordinance that not only prohibits workplace discrimination, harassment and retaliation, but also creates procedures for obtaining money damages against the Tribe for all persons seeking employment or employed by the Tribe's Gaming Operation.
- 62. The State's Demand that Augustine carry \$3 million in employment practices liability insurance and enact a tribal ordinance that both prohibits workplace discrimination, harassment and retaliation and creates procedures for obtaining money damages against the Tribe for all persons seeking employment or employed by the Tribe's Gaming Operation, is not directly related to and necessary for the regulation and licensing of Gaming Activities, and thus is not a proper subject of negotiation under 25 U.S.C. § 2710(d)(3)(C), and the State's demand to include that provision in a new Compact constituted a failure by the State to negotiate in good faith.
- 63. If the State's insistence that Augustine carry \$3 million in employment practice liability insurance and enact an ordinance that not only prohibits workplace discrimination, harassment and retaliation, but also creates procedures for obtaining money damages against the Tribe for all persons seeking employment or employed by the Tribe's Gaming Operation did not

1	constitute bad faith <i>per se</i> , the State was required to offer meaningful concessions in return for
2	Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in
3	good faith.
4	<u>COUNT SEVEN</u>
5	State's Insistence On Including Prohibition Against Cashing Government Checks
6	64. Throughout Augustine's negotiations for a new Compact, the State insisted that a
7	new Compact include a provision prohibiting Augustine's Gaming Operation from cashing,
8	except for Augustine's tribal members, any check drawn against a federal, state, county, or city
9	fund, including, but not limited to, Social Security, unemployment insurance, disability
10	payments, or public assistance payments.
11	65. Prohibiting the Tribe from cashing checks drawn against government accounts is
12	not a proper subject of negotiation under IGRA, and the State's demand for such a provision in a
13	new Compact constituted a failure by the State to negotiate in good faith.
14	66. If the State's insistence upon including in a new Compact a provision prohibiting
15	the Gaming Operation from cashing any checks drawn against a federal, state, county, or city
16	fund did not constitute bad faith per se, the State was required to offer meaningful concessions in
17	return for Augustine's acceptance of that demand; the State failed to do so, and thus failed to
18	negotiate in good faith.
19	<u>COUNT EIGHT</u>
20	State's Insistence That Augustine Comply With California's Minimum Wage Law
21	And Regulations
22	67. Although Augustine is subject to the federal Fair Labor Standards Act and its
23	implementing regulations, throughout Augustine's negotiations for a new Compact, the State
24	insisted that a new Compact include a provision requiring that Augustine comply with
25	California's minimum wage law and implementing regulations for all Gaming Operation
26	employees.
27	68. California's minimum wage law and implementing regulations are not proper
28	subjects of negotiation under IGRA, and the State's insistence on including such a provision
	COMPLAINT 19

constituted a failure by the State to negotiate in good faith.

69. If the State's insistence on including a provision requiring Augustine's Gaming Operation to comply with California's minimum wage law and implementing regulations did not constitute bad faith *per se*, the State was required to offer meaningful concessions in return for Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in good faith.

COUNT NINE

State's Insistence That Augustine Enact A New Tort Liability Ordinance And Procedures For Remedies For Injuries Not Directly Related To Augustine's Gaming Activities

- 70. Throughout Augustine's negotiations for a new Compact, the State insisted that a new Compact include provisions requiring Augustine to obtain at least \$7.7 million in liability insurance to compensate persons who sustain bodily injury, personal injury and/or property damage at or in connection with the Gaming Operation and/or Gaming Facility, whether or not sustained while engaged in or as a consequence of the operation of class III Gaming Activities, and enact an ordinance adopting California tort law and creating procedures for awarding money damages to persons claiming such injuries or damage.
- 71. Requiring creation of remedies in money damages for bodily injury, personal injury and property damage other than for injury or damage sustained while participating in Gaming Activities or caused by the operation of Gaming Activities is not a proper subject of negotiation under 25 U.S.C. § 2710(d)(3)(C), and thus the State's demand to include such a provision constituted a failure to negotiate in good faith.
- 72. If the State's insistence on including in a new Compact a provision requiring Augustine to create remedies in money damages for bodily injury, personal injury and property damage other than for injury or damage sustained while participating in Gaming Activities or caused by the operation of Gaming Activities did not constitute bad faith *per se*, the State was required to offer meaningful concessions in return for Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in good faith.

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COMPLAINT 20

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COUNT TEN

State's Insistence That Augustine Withhold And Remit To The State California Income **Taxes On Gaming Operation Employees**

- 73. Throughout Augustine's negotiations for a new Compact, the State insisted that a new Compact require that Augustine withhold and remit to the State California income taxes from the wages of all Gaming Operation and Gaming Facility employees (subject to certain exceptions), and file with the California Franchise Tax Board a copy of any information tax return filed with the Secretary of the Treasury, except for returns pertaining to enrolled Augustine tribal members living on the Augustine Reservation.
- 74. The State's insistence that Augustine withhold and remit the aforementioned income taxes and informational returns is not a proper subject of negotiation under IGRA, and the State's demand to include that requirement constituted a failure by the State to negotiate in good faith.
- 75. If the State's insistence on including in a new Compact the aforementioned California income tax withholding and reporting requirements did not constitute bad faith per se, the State was required to offer meaningful concessions in return for Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in good faith.

COUNT ELEVEN

State's Insistence That Augustine Enact A New State-Dictated Tribal Labor Relations **Ordinance**

- 76. As required by § 10.7 of its 2000 Compact, Augustine enacted and has maintained ever since the TLRO that the State previously had approved.
- 77. Throughout the negotiations, the State insisted that Augustine enact a new Statedrafted TLRO that would expand the rights of labor unions beyond those conferred by the National Labor Relations Act, 29 U.S.C. § 151, et seq., and deprive Augustine of some rights that the NLRA confers on all other California non-tribal employers subject to the NLRA and the jurisdiction of the National Labor Relations Board ("NLRB"). The State never responded to Augustine's July 2, 2021 proposed revisions to the State's new TLRO, and despite repeated 21

compacting process to extend their jurisdiction beyond that necessary for the proper regulation, licensing and safe and honest operation of Gaming Activities, and specifically not into areas such as taxation, water rights or environmental regulation.

83. Section 10.8.1 of Augustine's 2000 Compact requires Augustine to adopt an

83. Section 10.8.1 of Augustine's 2000 Compact requires Augustine to adopt an ordinance,

providing for the preparation, circulation and consideration by Augustine of environmental impact reports concerning potential off-Reservation environmental impacts of any and all Projects to be commenced on or after the effective date of this Compact. In fashioning the environmental protection ordinance, Augustine will make a good faith effort to incorporate the policies and purposes of the National Environmental Policy Act ["NEPA"] and the California Environmental Quality Act ["CEQA"] consistent with Augustine's governmental interests.

- 84. Since Augustine's Compact took effect in 2000, the State never has alleged that Augustine has failed to fully comply with § 10.8.1 or any other provision of Augustine's 2000 Compact, that those provisions were inadequate to protect the State's legitimate interests, or that Augustine's Gaming Activities ever have had a significant adverse impact on the off-Reservation environment.
- Augustine-specific justification, the State insisted that a new Compact require Augustine to, *inter alia*: (a) enact a new ordinance that incorporates "the relevant policies and purposes of NEPA [National Environmental Policy Act] and CEQA [California Environmental Quality Act] consistent with legitimate governmental interests of Augustine and the State;" (b) requires a much more detailed and comprehensive environmental review of the potential significant adverse impacts on the off-Reservation environment of broadly-defined proposed "Projects" that could include activities not directly related to the operation of the Tribe's Gaming Activities; (c) provide wide-ranging notice to the public and State and local government agencies of the environmental review of proposed "Projects"; (d) prior to commencing certain Projects, offer to negotiate, and if necessary arbitrate, with surrounding local governments and the California Department of Transportation (if a State highway would be impacted) for binding and enforceable agreements to mitigate a proposed Project's off-Reservation environmental and other

impacts; and (e) implement the mitigation measures identified in Augustine's environmental document for the "Project."

- 86. Although Augustine contended that the environmental provisions insisted upon by the State are not proper subjects of negotiation under IGRA, in the interest of reaching an agreement, and contingent on the State's offer of meaningful concessions, Augustine presented the State with a counter-proposal based on NEPA rather than CEQA, and tailored for the Augustine Reservation's specific circumstances, under which Augustine would have many of the same obligations and authority regarding assessing and mitigating the significant impacts of a Project on the off-Reservation environment as would a federal agency subject to NEPA.
- 87. The State rejected many aspects of Augustine's proposed alternative to the State's demand without substantial justification, and thus failed to negotiate in good faith.
- 88. If the State's insistence that Augustine accept the State's proposed environmental mitigation provisions did not constitute bad faith *per se*, the State was required to offer meaningful concessions in return for Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in good faith.

COUNT THIRTEEN

State's Insistence That the Compact Extend To Gaming Operation Employees Whose Duties Have No Direct Involvement In The Operation Of Gaming Activities

- 89. Throughout Augustine's negotiations with the State for a new Compact, the State insisted that a new Compact include within the scope of the Compact Gaming Operation employees personnel whose duties would not include involvement in the regulation, licensing or operation of Gaming Activities. By insisting on including within the scope of the Compact Gaming Operation personnel not directly related to and necessary for the regulation, licensing or operation of Augustine's Gaming Activities, the State's insistence on including such personnel within the scope of the Compact was not a proper subject of negotiation under IGRA, and thus constituted a failure to negotiate in good faith.
- 90. If the State's insistence that a new Compact extend to personnel whose duties are unrelated to the regulation, licensing or actual operation of Gaming Activities did not constitute

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bad faith per se, the State was required to offer meaningful concessions in return for Augustine's acceptance of that demand; the State failed to do so, and thus failed to negotiate in good faith.

WHEREFORE, Augustine prays as follows:

- that the Court enter judgment declaring that as to each of Counts One through Thirteen of Augustine's Claim for Relief, the State of California has failed to negotiate in good faith as required by IGRA by insisting upon including in a new Compact provisions that are not proper subjects of negotiation under IGRA, or if not improper per se, that the State was obligated to offer meaningful concessions in return, and failed to offer such concessions;
- 2. that the Court order the parties forthwith to enter into further Compact negotiations for a period not to exceed sixty (60) days from the entry of the Court's judgment, and if the parties are unable to agree to the terms of a new Compact within that time, to jointly file with the Court a report to that effect;
- 3. that if the parties have not agreed on the terms of a new Compact within the sixty (60) days the Court allows for further negotiations, or sooner if the parties' negotiations have reached impasse, that either party may move the Court ex parte for an order appointing a mediator to whom Augustine and the State each will submit its respective last, best offer for a Compact, and the mediator shall select from the two proposed Compacts the one that best comports with the terms of IGRA and any other applicable Federal law and with the Court's findings and order, and submit that proposed Compact to the State;
- 4. that if the State consents to the proposed Compact selected by the mediator within sixty (60) days after the date on which the proposed Compact is submitted by the mediator to the State, the proposed Compact shall be treated as a Tribal-State compact entered into under paragraph (3), with or without ratification by the California Legislature;
- 5. that if the State does not consent to the proposed Compact submitted by the mediator, Augustine shall be entitled to obtain from the Secretary of the Interior procedures under which Augustine may continue to conduct Gaming Activities on its Indian lands;
- 6. in the event that a new Compact with the State or Class III gaming procedures prescribed by the Secretary of the Interior has not taken effect prior to June 30, 2022, Augustine 25

1	may continue operating Gaming Activities pursuant to its 2000 Compact until the effective date
2	of either a new Compact or procedures prescribed by the Secretary of the Interior;
3	7. that the Court grant such other relief as it deems appropriate;
4	8. that Augustine be awarded its costs of suit and reasonable attorneys' fees; and
5	9. that the State reimburse the Indian Gaming Special Distribution Fund in an
6	amount equal to what the State has charged that Fund for its defense of this action, plus interest
7	accrued at the same rate as California law imposes on debts owed to the State.
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9	Dated: October 12, 2021 Respectfully submitted,
10	By: /s/ George Forman
11	George Forman FORMAN & ASSOCIATES
12	Attorneys for Plaintiff
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